

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN JOHN C. BOHLINGER**, on January 14,
2003 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. John C. Bohlinger, Chairman (R)
Sen. John Esp, Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Brent R. Cromley (D)
Sen. Jim Elliott (D)
Sen. Kelly Gebhardt (R)
Sen. Bill Glaser (R)
Sen. Rick Laible (R)
Sen. Jeff Mangan (D)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Phoebe Olson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 98, 1/7/2003; SB 24, 1/7/2003;
SB 60, 1/7/2003; SB 163, 1/9/2003

Executive Action:

HEARING ON SB 98

Sponsor: SENATOR JEFF MANGAN, SD 23, Great Falls

Proponents:

Steven Fagenstrum, Self

Donnalee Tamosaitis, Self

Rose Hughes, MT Health Care Association

Betty Beverly, MSCA

Opening Statement by Sponsor:

SENATOR JEFF MANGAN, SD 23, Great Falls said one of the nicest things a member of the legislature get to do was present what they consider a constituent bill. He said that was the situation with SB 98. He said the title of the bill was "An act providing that personal care facilities or community residential facilities for purposes of including those facilities as residential use properties under zoning regulations." He said that was as much as he knew about personal care facilities. He said the folks from Great Falls could thoroughly explain the issue.

Proponents' Testimony:

Steven Fagenstrum, Self said he had brought the problem to **Senator Mangan's** attention. He said he had a two fold interest in the bill, a professional and a personal one. He said his professional interest stemmed from his representation of personal care facilities and as a court appointed attorney who represent elder people when they are being the subject of commitment proceedings, guardianships, or conservatorship. He said his personal interest was as a result of a family member who lives in a personal care facility because he has multiple sclerocis and is unable to provide for all of his everyday needs, and he needs help with some of his everyday activities. He explained the law needed to be passed because it was his belief there was a hole in the law that does not address a certain group of Montana citizens that need the protection of this legislation. He suggested that the hole simply manifested as a result of our evolving personal care and elderly care systems. He said new ways of treating and helping elderly people had been developed. New systems and new designations had been developed but in a couple of areas the law did not keep up. He said MCA 76-2-411, and subsequent sections were enacted to give certain types of facilities the same treatment as a single family dwelling, so you could put ceratin kinds of treatment or living facilities out into the residential communities. He said examples were adult foster care homes. The

residential areas are encouraged to house and provide for residential accommodations for people who live in those homes. He said other examples were youth foster homes and halfway houses. He said the idea was that a residential setting is a better setting for certain people to either manifest back into society or as a intermediate situation so you don't have to warehouse people. He maintained there was a vast difference in the living atmospheres between institutions and personal care homes. He said in the institutional facilities the workers are there for a job. When you walk in, it feels like an institution, and he had not met anyone who was anxious to live the rest of their lives in one of those places. Personal care facilities in a residential setting is a house which has been modified to have a few people in the home. He said it looks like a home and the feeling is very warm and welcoming. He said they were a good thing to have available to senior citizens who are able to live there. He said the problem is that personal care facility under current law is not listed as one of the exemptions under 76-2-411. He said there was a limit of the number of people that could live in these houses in a residential area to eight people. He said the law does not allow you to live in a residential home if you can't bathe yourself, you can't take your own medications, or if you have an incontinence problem. He said many communities had modified their zoning ordinances to accommodate these homes, but many cities throughout the state still have a problem. He said they needed a uniform system state wide that would define that particular group of facilities and the people that are living in those facilities as residential care facility so they are covered by the law and can live in residential areas. He said these are a great benefit to many senior citizens. He expressed he would be happy to answer questions.

Donnalee Tamosaitis, Self said she owned a couple personal care facilities in Great Falls. She said when she went to the city and state to get her license everyone said it was ok, but that some people were raising issues now. She said that the elderly community was getting larger and there was becoming a need for help, that isn't available except in nursing homes. She said that was why she had started her personal care facilities. She said these people were quite special to her. She said she has seen a great benefit to these people that live in these type of homes compared to nursing homes. She said she was concerned that these people have their mental capacities and should be able to make choices. She thought they should be able to live in a residential area. She hoped they could pass this bill.

Rose Hughes, MT Health Care Association said this bill made sense and they were there to support it. She maintained that these small personal care facilities were very popular among the

elderly. She said there was a need for this type of care and people really liked it. She said there was no reason not to have these type of facilities. She said this would assure that these facilities could in fact be in residential areas where they belong.

Betty Beverly, MSCA said she was in support of the bill. She maintained that these choices were important to senior citizens. She would hate to see these places zoned out of residential areas, because they truly belonged there. She hoped the committee could pass this important bill and continue to give choices to the seniors of Montana.

Questions from Committee Members and Responses:

SENATOR RICK LAIBLE said it was his understanding from reading the bill that nursing homes would not be included.

Steven Fagenstrum replied it depended on how you defined nursing homes. He said if you wanted to call a personal care facility a nursing home because it provided some nursing care, you probably could. He said to say that you can't have nursing homes in the community might not be accurate. He said you would not have huge 150 bed facilities.

SENATOR LAIBLE asked what the Towe amendment was.

Steven Fagenstrum said to his understanding section 76-2-411 and 76-2-412 are part of the Towe amendment. He said the Towe amendment was a provision that allowed certain kinds of care facilities to skip over or be exempt from the zoning ordinances in residential A zones, which were at that time single dwelling family only. The Towe amendments were designed to put certain kinds of facilities out into the community because it was recognized that the people in those facilities do better in a community residential setting, particularly half way houses.

SENATOR JERRY BLACK asked what type of regulations they had to follow when they convert into an assisted living facility. He wondered if they were required to follow any particular building codes or health codes and what were they.

Steven Fagenstrum replied absolutely. He said of course Montana Uniform Building Code applied, and there were provisions specifically for personal care facilities in that building code itself. He said they had to follow local building codes and get permits. He said most had to have handicapped access. He said there would also be safety inspections by the fire department.

SENATOR BLACK asked if someone checked on the health conditions periodically.

SENATOR BOHLINGER didn't think that question was relevant to the discussion.

Steven Fagenstrum did say the Department of Health and Human Services did inspect the properties before and during the licensing process.

SENATOR BLACK said he felt that was important if they were going to allow it to be exempt from zoning regulations.

SENATOR CAROLYN SQUIRES asked if SB 98 defined a community residential facility.

Rose Hughes replied that was correct.

SENATOR SQUIRES said number 5 under this definition is an addition of the personal care facility license under, is that right.

Rose Hughes replied yes.

SENATOR SQUIRES said in the codes there was also a definition for a nursing home facility and the criteria for that equally as well. She said they were under two distinct places, is that not correct.

Rose Hughes replied that was correct.

SENATOR SQUIRES said if they add a definition of a community residential facility to this, they were allowing them to not have zoning.

Rose Hughes said if they were trying to resolve the issue of nursing homes, facilities that were licensed as skilled or intermediate care nursing homes are not included in this bill. She said you could not put an eight bed nursing home in a residential facility.

SENATOR SQUIRES said she wanted everyone to understand that nursing homes were different than this particular personal care facility.

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SENATOR KELLY GEBHARDT asked if the bill was passed would it preclude the local town planning board from ruling on this.

Joe Mazurek said it was his understanding by looking at case laws in regards to adult foster homes, the case law has indicated that it does not technically exempt it from the ordinance itself. So in other words there can still be restrictions put on or conditions, or at least some hoops that the owner would have to jump through. He said it does prohibit them from outlawing it all together. Essentially with regard to adult foster homes, as long as all of the hoops are met, the city can't arbitrarily say they don't want adult foster homes in a residential setting so no.

Closing by Sponsor:

SENATOR MANGAN said personal care facilities are a part of the continuing care that we continue to provide for folks in our society. He said it fits within the residential variance. He asked the staff to draft some coordinating language to go with HB 51. He thought this was important to have in code, and he thanked his constituents for bringing it to the states attention.

HEARING ON SB 24

Sponsor: **SENATOR JEFF MANGAN, SD 23, Great Falls**

Proponents:

Mary Sexton, Teton County
Don Hargrove, Gallatin County
Mary Phippen, MT Association Clerks of District Court
Mike Kadas, City of Missoula
Linda Stoll, MT Association of Planners
Gordon Morris, MT Association of Counties
Joe Mazurek, City of Great Falls

Opponents:

Roger Halver, MT Association of Realtors

Opening Statement by Sponsor:

SENATOR JEFF MANGAN, SD 23, Great Falls said SB 24 was derived out of a MACO resolution. It would allow a county to charge convenience fees on selected electronic government services. He said the cities had approached him after the bill was drafted and he had an amendment drafted to accomplish that. He said he would

allow MACO and the cities and towns to explain why they thought this was important. He said he would try to answer questions.

Proponents' Testimony:

Mary Sexton, Teton County she said it would allow local government entities to charge for electronic services. She said it did take time and effort for staff to provide these services. She gave some examples of what these fees would be charged for. She thought counties were involved in this sort of thing, but that they should be given the statutory authority to do so.

Don Hargrove, Gallatin County said this would expand to local governments the privilege that was given to the state in the last session. He thought it was appropriate. This would allow local governments to expand services that people want and need without taking resources from other needed programs. He expressed their support for the bill.

Mary Phippen, MT Association Clerks of District Court said they stood in support of the bill for the reasons stated by **Don Hargrove**.

Mike Kadas, City of Missoula said this was a great idea and they would like to be added to it. He said in the city of Missoula they started their web page four years ago and it had already undergone several revisions. He said if it were eliminated today they would be strung up. He expressed that it was widely used as a key way to disseminate information in the community. He thought this would allow them to provide better services.

Linda Stoll, MT Association of Planners said that **Ronda Carpenter** had asked her to stand up and let the committee know that the MT Association of Treasurers was very much in support of the bill.

Gordon Morris, MT Association of Counties said they were in support of the bill and was pleased **SENATOR MANGAN** had included cities and towns. He pointed out the language in section 1 was the same language that allowed the state to charge a convenience fee for select electronic services. He thanked the committee for their support.

Joe Mazurek, City of Great Falls said they supported the bill. He said it came about as a result of an action taken by the legislature last session called the Montana Electronic Government Services Act. He said this would allow a private contractor to essentially provide the up front services to the governmental entity and then they would redeem the cost of that by charging a

convenience fee for users who access the sight. He thought it would be a good thing for local government.

Opponents' Testimony:

Roger Halver, MT Association of Realtors said they were not opposed to governments providing electronic services, but they were concerned that there could be charges for electronically accessing public information that right now is free to the public to access if they go to the court house and look it up themselves. He said the second concern was over the word convenience fee. He said the bill said convenience fee means a fee charged to recover the costs of providing electronic government services. He said their problems come with the terminology of recovering the costs. He said it seemed like it could escalate in the future. He asked the committee consider those concerns.

Questions from Committee Members and Responses:

SENATOR BRENT CROMLEY asked if they could charge for hard copies.

Mary Sexton replied that was correct.

SENATOR CROMLEY said he had purchased a list of names on a disc for his campaign and had paid the election officer for that. He wondered how they were able to charge for that.

Mary Sexton said at this point they probably did not have the statutory ability to do that.

SENATOR CROMLEY said it was his thought that when we entered the computer age it would save money, now it appears that it would cost more. He said he understood the desire to recover some of these fees, but he wondered if the sponsor could address the philosophical question of why a person should pay for information in digital form as opposed to paying for information in verbal form.

SENATOR MANGAN said IT does cost money. He did not think by giving local governments the ability to do this would not make prudent decisions on what information and what types of electronic media they would charge for. He did not think they would see a lot of charges for emails and those types of things.

SENATOR GEBHARDT asked how they would bill and receive payments for this service.

Mary Sexton replied most likely with a credit card, or another option would be a check from the citizen. She thought it would

work on a trust system, the would send the information and expect the person to send them a check.

SENATOR GEBHARDT said that the point of doing things electronically was to get the information quickly and sending a check through the mail would take quite a while.

Mary Sexton said she could not imagine that would be the case, she thought the office you were dealing with would be understanding and just ask you to send a check for \$5 or whatever that would be.

SENATOR GEBHARDT asked how they would decide how much to charge for these services.

Mary Sexton replied it would probably vary from county to county. She thought each office would have to determine what sort of effort was put into it and what the cost was.

SENATOR GEBHARDT said there had been a lot of grants in the past ten or fifteen years to provide this information. He said part of the conditions of those grants is that fact that it would be available to the public free of charge. He said now you would be charging not necessarily for the information but for distributing the information, he wondered if that would effect the grants that had been out there.

Mary Sexton said a number of those grants had been utilized. An example would be the Global Positioning Maps of the roads that had occurred recently. She said if that particular information was altered and amended she would hope they could charge for that. She hoped the counties would still make the information from the grants available free of charge.

SENATOR GEBHARDT said he did not want the counties or cities to get in trouble because they took a grant and then charged for the information.

SENATOR LAIBLE said he shared some of the same concerns as **Mr. Halver**. He said with the financial constraints that were on many of the counties it could be one of those things were every time you log on you have to give a credit card number to receive information. He said realtors access information quite often. He wondered if **Mr. Halver** had thought of any amendments that would make the bill tighter.

Roger Halver said at the present time they had not looked at any amendments. He said they would be willing to work with anyone who would want to submit amendment.

SENATOR LAIBLE said he understood where the counties were coming from. He asked if the sponsor had heard any concerns about what the fees would be.

SENATOR MANGAN replied he wasn't aware of any opposition to the bill until **Mr Halver** let him know about his concerns today. He did point out that they were talking about convenience fees. He said if they do decide to charge for something you would be paying for the convenience of being able to sit in your office and download something, and not have to go down and pick up the document for \$1.25 and spend a lot of time driving all over town. He thought every business spent a lot of money to make things easier for their employees and make them more productive because it makes more money for business.

Closing by Sponsor:

SENATOR MANGAN thanked the committee for the questions. He said we were in the IT age. He said the state was able to do this and cities and counties should be able to do this. He said this was a local control issue and he was a big fan of that. He said this allowed the counties to do this, and he did not think they would abuse it. He asked for their support.

HEARING ON SB 60

Sponsor: **SENATOR JERRY O'NEIL, SD 42, Columbia Falls**

Proponents:

None

Opponents:

Alec Hansen, League of Cities and Towns
Chris Kukulski, City of Kalispell
Mike Kadas, City of Missoula
David Nielsen, City of Helena
Joe Mazurek, City of Great Falls
Gordon Morris, MT Association of Counties

Opening Statement by Sponsor:

SENATOR JERRY O'NEIL, SD 42, Columbia Falls said SB 60 would revise requirements for organizing municipalities to eliminate the three mile prohibition from one city to another. He said he represented the incorporated municipality of Evergreen which abuts the city of Kalispell. He said Evergreen has it's own fire

department, schools, water and sewer department, and it's own capability to provide services for itself. He said Evergreen had roads, sidewalks, curbs, and gutters. He said Evergreens taxes were lower and the citizens wanted to keep it that way. He said because of the lower taxes and the fact that Evergreen was so business friendly, Kalispell was trying to annex the business community of Evergreen which would take away that municipalities tax base. He said to stop that from happening Evergreen needed to incorporate. He said other municipalities that sit less than three miles from a city limit would benefit as well. He hoped they could support the bill.

Proponents' Testimony:

None

Opponents' Testimony:

Alec Hansen, League of Cities and Towns said he looked at the law a little bit and this particular law went back to the 1887 constitution, and had been on the books for about 160 years. He thought it was interesting to note the three mile limit was suggested at a time when people thought if you went sixty miles an hour your eardrums would explode. He thought there needed to be separation between cities and towns. He said in the past the legislature had rejected these ideas because they understood that we need better government in Montana not more governments.

Chris Kukulski, City of Kalispell said this bill was for Evergreen but he could see three other cities around Kalispell that would spring up in a relatively short period of time. He said they were trying to promote the efficiency of government not create as many local governments as we can. He said the current language works. It specifically allows Evergreen to incorporate if the city of Kalispell does not allow it representation. He said that this could be doing something that was inefficient and promotes the proliferation of local units of government that would be coming to you later on asking for assistance to serve their community.

Mike Kadas, City of Missoula showed the committee a map of Missoula. He said annexation was a difficult issue. He said what happens is you end up annexing areas after they have been built usually because they end up with water quality problems. If this bill had been the law for the past forty years what you would have is the City of Missoula, the City of Rattlesnake, the City of Brooke Street Corridor and on and on. He said that was not the purpose. He said municipalities spend 90% of their general fund providing police and fire services, street and road

services, and park services. He said all of those things are public goods. He said they are all provided better on a public level than a private level. He said it made sense from an economic and a government perspective to do them over a large area. He thought this would be a huge step backward. He thought it would create huge problems and conflicts that the legislature would have to deal with in the future.

David Nielsen, City of Helena said one of the fine attributes of good laws was predictability. Cities rely on predictability for things like planning. He said the three mile area in current law coincides very well with the jurisdiction and planning ability of cities and towns to do growth policies. He said this three mile protection gave reliability and predictability to plan cities. He asked the committee not to pass the bill.

Joe Mazurek, City of Great Falls said all the points had been made. He said this was one of the few mechanism that prevent urban sprawl. He hoped the committee would not favor the bill.

Gordon Morris, MT Association of Counties said in interest of time, he wanted to be on record in opposition to the bill.

Questions from Committee Members and Responses:

SENATOR LAIBLE asked if a city wanted to annex within three miles to they have to get a vote of the people that live within the area the want to annex.

Alec Hansen said he thought there were seven different methods of annexation in Montana statute. He explained them. He said you needed to understand when you look at development in Montana and the annexation laws is studies that have been done indicated that Montana's annexation laws are among the most restricted in the entire country. He said there was a time when they were trying to liberalize those laws but now they were trying to protect what had been in statute for many years.

SENATOR LAIBLE asked if it was possible that citizens within an area could be annexed against their will.

Alec Hansen replied only if they were wholly surrounded.

SENATOR LAIBLE said then otherwise they would have a vote.

Alec Hansen replied they would have a vote or a protest.

Mike Kadas replied that they used on of three basic ways in almost all cases. Wholly surround, the petition method or the contiguous method. He explained them to the committee.

SENATOR CROMLEY asked if Montana was unique because of the 3 mile provision.

Chris Kukulski said it was unique and probably one of the best laws on the books in the state of Montana, in that it prevents the proliferation of all these competing local units of government.

SENATOR JIM ELLIOTT asked about the 1887 constitution Alec Hansen had mentioned.

Alec Hansen replied it was first enacted in 1887 then again in 1895.

Closing by Sponsor:

SENATOR O'NEIL said the broad consensus seemed to be that we need better government. He said he thought it was a consensus that competition could help achieve better government. They existing cities have a leg up on annexation, because of the economics of scale. He said he did not know whey economics of scale did not work that way but it didn't seem to all the time. He said he thought this would prevent urban sprawl. He said if you let the people who were living outside the city incorporate their own municipality and make their own rules, they would be happy where they were and they would not ran out to the country. He hoped they could vote for the bill.

HEARING ON SB 163

Sponsor: SENATOR JEFF MANGAN, SD 23, Great Falls

Proponents:

Mary Sexton, Teton County
Linda Stoll, MT Association of Planners
Ronda Carpenter, MT Association of Treasurer
Gordon Morris, MT Association of Counties
Mike Kadas, City of Missoula
Chris Kukulski, City of Kalispell
Joe Mazurek, City of Great Falls

Opponents:

None

Informational Testimony:**Alec Hansen, League of Cities and Towns****Opening Statement by Sponsor:**

SENATOR JEFF MANGAN, SD 23, Great Falls said this bill came from MACO's information technology committee. He said this bill would allow local government to receive payments by credit card or other commercially acceptable means. He reserved the right to close.

Proponents' Testimony:

Mary Sexton, Teton County said this was somewhat a housekeeping bill in that some counties were already using credit cards and were not statutorily allowed to do that. She said this would just allow the local governments to receive payment by credit cards. She did propose in Section 1 part 3, that there had been some concern expressed by local government entities, counties and cities that 3% was not consistent across the state, in that some counties would like to charge nothing and some would like to charge 1 or 2%. She said that section should read that a person who makes a payments to a local government as provided in this section may be required to pay a convenience fee of up to 3%. She urged the pass the bill.

Linda Stoll, Missoula County said they would like to offer one other amendment in that section. She said Missoula would like not to charge the 3% convenience fee, so she asked the committee to consider striking the word "shall" and insert "may be required to". That way those counties are not charging a fee would not be required to. She thanked them for their time.

Ronda Carpenter, MT Association of Treasurers said they would like the opportunity to have the fee, so she asked that they not take it out completely. She asked that they support SB 163.

Gordon Morris, MT Association of Counties said this bill was brought to you by MACO. He pointed out that they had tried to get this passed last session with HB 192 which enabled the state to take credit card payments, and they were not successful in being added to that bill. He said this bill was virtually the same. He said there were no technical notes of the fiscal note for HB 192, but there were on this bill. He thought the bill clearly answered some of the technical notes he fiscal note had raised. He thought it was a good clean bill and he hoped they could pass the bill.

Mike Kadas, City of Missoula said they did support this and would support the amendment to make it permissive. He did have a problem with the convenience fees having to go the general fund, he thought they should go to the fund that held the particular payments.

Chris Kukulski, City of Kalispell said they supported the bill. He said many wanted to pay on line with their credit cards. He agreed with Mike Kadas about the general fund concern.

Joe Mazurek, City of Great Falls said the arguments had been well covered. He supported the bill.

Opponents' Testimony:

None

Questions from Committee Members and Responses:

SENATOR JOHN ESP asked about Mike Kadas's concerns about the fees coming out of the general fund.

Mike Kadas said he did not think it was appropriate if someone was paying their waste water bill, then the fee should go back to waste water not the general fund.

SENATOR ESP asked if you would charge a fee for someone who paid their waste water bill with a credit card.

Mike Kadas said he had not thought through that. He felt they should have the flexibility to decide that. He wanted to be able to proportion the cost back to the entities that provided the services.

SENATOR ESP asked if they would apportion the cost back to the consumer.

Mike Kadas said that would be a complication if a taxpayer wanted to pay a business license, a SID, and a waste water treatment bill all in one bill. But he didn't think they could get to that today, they would have to make three separate credit card transactions to do that, and each case it would be appropriate to credit the fees go to the particular fund they were paying into.

SENATOR ELLIOTT asked what they rate charged on delinquent taxes was.

Ronda Carpenter replied 12 percent.

SENATOR ELLIOTT said if delinquent taxes were then paid by credit card and the credit card company was charging between 12 and 18% that interest would go to the private entity and is lost to the county.

Ronda Carpenter said she couldn't argue with that train of thought, but on the same hand money not paid to the county is money that they can't be using. She also maintained that delinquency were hard to collect as a matter of business practice.

SENATOR ELLIOTT said there are companies that will pay taxes that charge the taxpayer a fee. Would that be amenable to those who like this bill.

Mike Kadas replied he did not think they would mind that, but he would rather offer his citizens the choice to pay them with a credit card and they may or may not charge a fee.

SENATOR WILLIAM GLASER said these taxes could be taxes that the counties were obligated to pass on to the state.

Gordon Morris replied that was correct.

SENATOR GLASER said if you were passing on 3/4 of those taxes on to the state and paying the fees out of your own fund did not sound like good business.

Gordon Morris said the bill proposes to assess a 3% service fee if you pay electronically.

SENATOR GLASER said he understood that, but the talk here had been that some entities would not assess a fee. He could not understand why you would accept a credit card on taxes that you were sharing with the state.

Gordon Morris said he would beg to differ. He said that because they could use credit cards counties were collecting money that would not have normally been collected, so they are ahead of the game.

SENATOR GLASER said you were collecting money that was not your money and unless those costs were passed on to the state, then your general fund would be short.

Gordon Morris said the point is they cities and counties are getting money earlier and they are earning interest on that money that far out weighs the fees the would have the option of assessing.

SENATOR LAIBLE asked if the bill that was passed last session to enable the state to do this charged a 3% fee.

Gordon Morris replied it did not. The states authority is in code in section 15-1-231.

SENATOR LAIBLE said there was no 3%.

Gordon Morris replied that was correct. They assess the fee relative to cost assumption.

SENATOR LAIBLE said you were back to a convenience fee. He thought it was as convenient for local government as for the taxpayer to have taxes paid by credit card. He asked if **Gordon** would comment on that.

Gordon Morris replied he saw it as a convenience to the taxpayer, they were paying the fee no matter what taxes he was paying, he could stay at home and pay his taxes at midnight in his pajamas.

SENATOR CROMLEY said if there were no fee to be charged would all the proponents still be proponents.

Ronda Carpenter replied somewhere they had lost what happens. She said whether you use your credit card at Target or at the County 2% of that is kept by the credit card company. She said if your business only took \$29 dollars a year compared to \$29,000 a year you would pay a higher fee. That is why the state had a sliding rate. She said when the credit card company sends the business a check the fees were already deducted from that. She said the treasurers did feel it was necessary to charge the fee.

SENATOR CROMLEY said he understood that, but were there any proponents that would still be proponents if they could not charge a fee.

Ronda Carpenter said she could not answer that.

Linda Stoll replied Missoula County did not charge the fee right now and only asked that it be optional. They did not want to be forced into charging the fee.

SENATOR GLASER asked in Missoula county, if they sucked up the loss or if they passed it on to the state.

Linda Stoll replied she would ask the treasurer to document that for the committee.

Closing by Sponsor:

SENATOR MANGAN said it was a good hearing. He said you could tell budgets were on everyone's mind. He said they were in the 21st century. The state is allowed to do it. He believed counties were already trying to do this. He thought they should statutorily allow local government to allow for this. He thought permissive language about the fee was fine but he did not want to remove it. He said he would have the amendments prepared and some other information for executive session.

ADJOURNMENT

Adjournment: 5:05 P.M.

SEN. JOHN C. BOHLINGER, Chairman

PHOEBE OLSON, Secretary

JB/PO

EXHIBIT (los07aad)